

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

UNITED STATES OF AMERICA * CRIMINAL DOCKET NO. 10-008

v. * SECTION: "J"

ALBERT MCCARTY *

* * *

FACTUAL BASIS

Should this matter proceed to trial, both the Government and the defendant, **ALBERT MCCARTY**, do hereby stipulate and agree that the following facts set forth a sufficient factual basis for the crimes to which the defendant is pleading guilty. The Government and the defendant further stipulate that the Government would have proven, through the introduction of competent testimony and admissible, tangible exhibits, the following facts, beyond a reasonable doubt, to support the allegations in the Bill of Information now pending against the defendant:

Hurricane Katrina made landfall in Louisiana on August 29, 2005, and caused widespread damage to the Gulf Coast region of Louisiana, including the New Orleans, Louisiana area.

The United States Small Business Administration (“SBA”) was an agency of the United States of America providing disaster assistance loans to Hurricane Katrina victims. The SBA was administered and funded by the United States of America.

Before an applicant receives any SBA loan funds, he must submit an application, and then participate in a loan closing, where the terms of the loan are determined. After the closing, the SBA typically disburses an initial payment to the loan recipient. For a loan recipient to receive subsequent payments, up to the total amount of the loan for which the recipient was approved, he must submit additional documentation to the SBA. In the case of real estate construction or repair, the additional documentation includes evidence, such as receipts, that funds necessary to complete the construction or repair project have been spent for the repair or replacement of the disaster-damaged real estate.

Pursuant to legislation passed by the Congress of the United States of America, with the approval of the President of the United States, funds were appropriated to the Department of Housing and Urban Development (“HUD”) for a Community Development Block Grant (“CDBG”) for Louisiana hurricane victims. HUD is, and was, at the time of the offense, an agency or department of the United States of America. The purpose of this CDBG was to assist and aid owners of property damaged or destroyed by Hurricanes Katrina and Rita in August and September of 2005. The grant money was disbursed under a program known as the Louisiana Road Home Program (“LRHP”). HUD prepared the rules and regulations governing the disbursement of grant money through the State of Louisiana. The State of Louisiana through the Office of Community Development, Division of Administration, contracted with ICF International, Inc. to administer the LRHP.

One of the major requirements for receiving grant money from either LRHP or the SBA was that the damaged property be the primary residence of the applicant on August 29, 2005.

At the time Hurricane Katrina made landfall, on August 29, 2005, **DEFENDANT MCCARTY** owned a residence located at 1836 Lamanche Street, New Orleans, Louisiana 70117, which he rented to another and did not occupy.

On the date Hurricane Katrina struck Louisiana, **DEFENDANT MCCARTY** used as his residence houses located at 4628 Mirabeau Avenue, New Orleans, Louisiana 70126, 5919 North Prieur Street, New Orleans, Louisiana 70117, and a structure located next to 1025 Lizardi Street, New Orleans, Louisiana 70117, all in the Eastern District of Louisiana. At no point during August or September 2005 did **DEFENDANT MCCARTY** ever use the house located at 1836 Lamanche Street, New Orleans, Louisiana 70117, as his primary residence.

On or about April 8, 2006, in the Eastern District of Louisiana, the defendant, **ALBERT MCCARTY**, submitted his completed application for a loan from the SBA, declaring in the application that on August 29, 2005, his primary residence was 1836 Lamanche Street, New Orleans, Louisiana 70117.

On or about April 3, 2007, in the Eastern District of Louisiana, the defendant, **ALBERT MCCARTY**, submitted his completed application for a grant under the LRHP. The application stated that **DEFENDANT MCCARTY'S** primary residence on the date Hurricane Katrina struck Louisiana, August 29, 2005, was 1836 Lamanche Street, New Orleans, Louisiana 70117.

On or about June 30, 2007, **DEFENDANT MCCARTY** closed on his LRHP grant. As a prerequisite to the closing, **DEFENDANT MCCARTY** was required to sign, and did in

fact sign, the Road Home Grant Recipient Affidavit, stating that his primary residence on the date Hurricane Katrina struck Louisiana, August 29, 2005, was 1836 Lamanche Street, New Orleans, Louisiana 70117.

As a result of his actions on his application for funds and money and Road Home Grant Affidavit described above, on July 24, 2007, the defendant, **ALBERT MCCARTY**, received direct financial assistance from the LRHP totaling \$56,000.

On or about September 26, 2007, in the Eastern District of Louisiana, the defendant, **ALBERT MCCARTY**, submitted to the SBA a phony receipt from “Pike County Ready Mix,” with ticket number 7923, for \$4,903.81, for concrete he claimed was used for repairing the house located at 1836 Lamanche Street, New Orleans, Louisiana 70117, knowing that the receipt had not been issued in conjunction with any repair work performed at 1836 Lamanche Street, New Orleans, Louisiana 70117. Rather, the defendant, **ALBERT MCCARTY**, manipulated a receipt from repair work “Pike County Ready Mix” had performed on another address to make it appear as though repair work had been performed at 1836 Lamanche Street, New Orleans, Louisiana 70117.

As a result of his actions on his application for a disaster loan from the SBA and his submission of false, manipulated receipts, as described above, the defendant, **ALBERT MCCARTY**, received direct financial assistance from the SBA totaling \$50,000.

By engaging in the behavior outlined above, **DEFENDANT MCCARTY** did knowingly embezzle, steal, purloin, and convert to his own use SBA and HUD benefits to which he knew he was not entitled.

The above facts come from an investigation conducted by agents from the Department of Housing and Urban Development - Office of the Inspector General, the Small Business

Administration - Office of the Inspector General, and the Federal Bureau of Investigation, as well as the statements of the defendant, **ALBERT MCCARTY**.

The above facts would have been proven beyond a reasonable doubt by credible testimony of agents from the Department of Housing and Urban Development - Office of the Inspector General and the Small Business Administration - Office of the Inspector General, other HUD and SBA employees, documents and records of SBA and HUD, copies of deposit statements, and **DEFENDANT MCCARTY'S** own statement to agents from the Department of Housing and Urban Development - Office of the Inspector General.

APPROVED AND ACCEPTED:

ALBERT MCCARTY	Date
Defendant	

CLARENCE ROBY, JR.	Date
(LA Bar No. 20345)	
Attorney for Defendant McCarty	

JORDAN GINSBERG	Date
(IL Bar. No. 6282956)	
Assistant United States Attorney	